

LAW OFFICES

JOHN H. BROADLEY & ASSOCIATES, P.C.

CANAL SQUARE
1054 THIRTY-FIRST STREET, N.W.
WASHINGTON, D.C.
20007

(202) 333-6025
(202) 333-5685 FAX

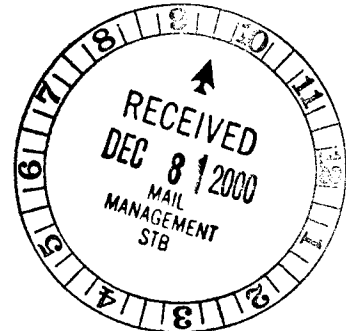
INTERNET
JBROADLEY@ALUM.MIT.EDU

December 8, 2000

JOHN H. BROADLEY

Honorable Vernon Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, D.C. 20423-0001

RECORDATION NO. 21260-B FILED
DEC - 8 '00 110-59 AM
SURFACE TRANSPORTATION BOARD



Dear Secretary:

I have enclosed two duplicate originals of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a Partial Release of Security Interest, a secondary document, dated December 4, 2000. The primary document to which this is connected is recorded under Recordation No. 21260.

The names and addresses of the parties to the documents are as follows:

Mortgagor: Bangor and Aroostook Railroad Company
P.O. Box 45, Route 1
Bangor, ME 04401

Mortgagee: Russell S. Penniman IV and
Carol G. Penniman
San Diego, California

A description of the equipment covered by the document follows:

<u>Unit No.</u>	<u>Description</u>
BAR 106	Day/Nighter (54 Seat Coach) Car
BAR 112	Steam Generating Unit (SGL)

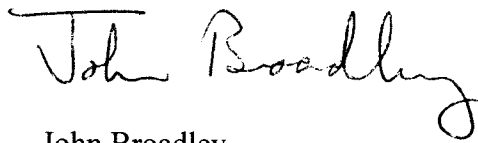
A fee of \$26.00 is enclosed. Please return one of the duplicate originals with the recording number affixed thereto with our messenger.

Honorable Vernon Williams
December 8, 2000
Page No. 2

A short summary of the document to appear in the index follows:

Mortgagee's release of security interest in BAR 106 and BAR 112
recorded under Recordation No.21260.

Yours very truly,

A handwritten signature in cursive script that reads "John Broadley". The signature is written in dark ink and is positioned above the printed name and title.

John Broadley
Attorney for Mortgagor
Bangor and Aroostook Railroad Company

Enclosures

DEC - 8 '00

10-59 AM

SURFACE TRANSPORTATION BOARD

PARTIAL RELEASE OF SECURITY INTEREST

Reference is made to that certain Security Agreement (the "Agreement"), dated as of March 4, 1998 made by Bangor and Aroostook Railroad Company, a Maine corporation (the "Debtor"), in favor of Russell S. Penniman IV and Carol G. Penniman (the "Lender"), filed with the Surface Transportation Board under Recordation No. 21260 on March 9, 1998.

The Lender agrees as follows:

1. Effective as of December 4, 2000, the Lender releases its security interest in and to certain railroad rolling stock described in Exhibit A, together with all additions, parts, fittings, accessories, special tools, attachments, and accessions now and hereafter affixed thereto and/or used in connection therewith, all replacements thereof and substitutions therefore, and all cash and non-cash proceeds thereof (collectively, the "Released Equipment"), and any accounts, property, securities or monies of the Debtor which may at any time be assigned or delivered or come into possession of the Lender, together with the proceeds thereof (but solely to the extent such relates to the Released Equipment), which security interest was granted to the Lender pursuant to the terms of the Agreement.
2. The Lender's interests and rights under, and security interest in and to the collateral described in the Agreement, shall remain in full force and effect except as expressly provided by this release.

Signed as of the day and the year written above.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)

By: Russell S. Penniman IV
Russell S. Penniman IV

By: Carol G. Penniman
Carol G. Penniman

State of California, County of SAN DIEGO, TO WIT:

I HEREBY CERTIFY, that on this 6th day of December, 2000, before me, the undersigned, a Notary Public of the State of California, personally appeared Russell S. Penniman IV and Carol G. Penniman known (or satisfactorily proven) to be the persons whose name are subscribed to the within instrument, and acknowledged that he and she executed the same for the purposes therein contained.

AS WITNESS my hand and Notarial Seal,

Joy L. Meoli
Notary Public

(SEAL)

My Commission Expires: 11-30-2003



Exhibit A To Partial
Release of Security Interest
December 4, 2000

RELEASED EQUIPMENT

<u>Unit #</u>	<u>Description</u>
BAR 106	Day/Nighter (54 Seat Coach) Car
BAR 112	Steam Generating Unit (SGL)